Nation's Restaurant News

FOCUS

Health-care food service:

STRETCHING THE BOUNDS

The patient tray line at the State University Health Science Center.

Health center food service expands to offset costs

By Rajan Chaudhry

At the State University of New York Health Science Center in Brooklyn, only 30 percent of meals made in the kitchen go to feed patients.

Like more and more hospitals nationwide, the center is developing alternate sources of food-service revenue, including catering, a public cafeteria, a tablecloth dining room,

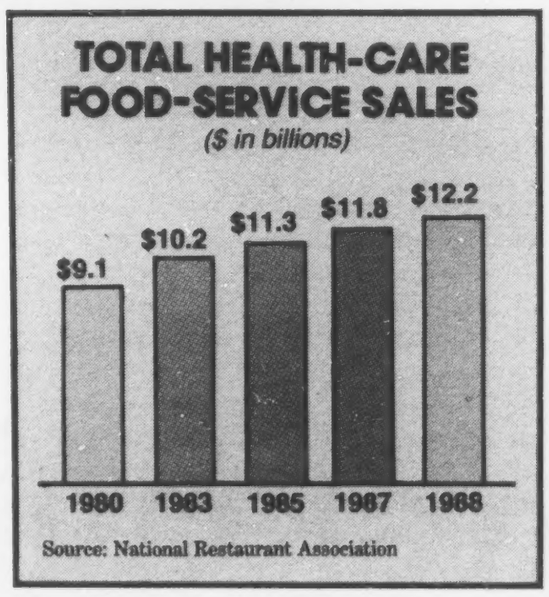
*(See **HEALTH**, page F15)*

Hospitals explore sources of revenue in food service

Hospital administrators, seeking new sources of revenue, are stretching the bounds of hospital food service.

"The big trend is containing costs on the inpatient side of the business and trying to grow revenues on the outpatient side of the business," said Carol Carlson, vice president of marketing and professional services

*(See **HOSPITALS**, page F18)*



VIEWPOINT this week

Age discrimination: a waste

Editor Charles Bernstein points out an 'obvious' and overlooked solution to the labor crisis—hiring older workers

Page F3

TJTC plan cuts labor costs

At a time marked by wage increases, Ken Rankin explains how the TJTC plan can help employers defuse payroll costs

Page F4

FOCUS | VIEWPOINT

Nation's Restaurant News

is published by
LEBHAR-FRIEDMAN INC.
425 Park Ave., New York, N.Y. 10022
212 371-9400
Subscription Services, ext. 379 or 419
Cable Address: LEBHAFRIED
Panafax: 212 838-9487

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Publisher of Nation's Restaurant News, Discount Store News, National Home Center News, Drug Store News, Accounting Today, Computer&Software News, Computer Product Selling, Chain Store Age Executive (with Shopping Center Age), *APPAREL merchandising*. Affiliates: Business Guides Inc., Lebhar-Friedman Books; Inside Retailing (Newsletter); Chain Store Age News, Japan; Largo Music Inc.

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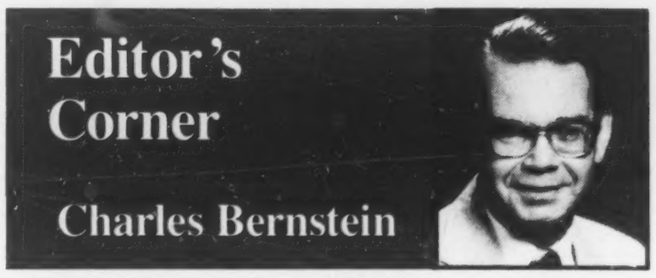
Age discrimination: missed opportunity

While almost everyone seems to complain about the labor crisis and a lack of qualified applicants, one of the most obvious solutions is often rejected. Some of the best, most loyal employees in any business—particularly food service—are middle-aged and older.

With the partial graying of America and a large proportion of people in these age groups, it makes sense to hire the so-called graying applicants. Older, more experienced persons are urgently needed in the industry.



Yet, in spite of this critical need, more restaurants than one can imagine are passing up these opportunities. Every excuse under the sun is offered, such as the person is "too old to benefit from the pension program" when the real reason is that "we want younger people whom we can train our way."

Any way one looks at it, this comes down to age discrimination.

Letters to the editor on the subject have poured in here at a fairly steady pace. Most of the writers understandably don't want to sign their names, fearing some sort of industry retribution. But some do have the courage of their convictions and are willing to go out on the limb.

One of the most moving letters is from Dick Huntley of Greenville, S.C. "It seems as if the industry of America and the restaurants have done a pretty good job of breaking down the race and sex discrimination that once existed," he writes. "Now we need to work on age discrimination."

Huntley, 52, describes himself as being in restaurant management 32 years, "including high corporate positions." He is a member of Mensa and has a degree from Miami University Business School but "cannot get a job."

He has tried and tried. Still, the replies to his applications keep coming in a steady stream, saying he is "not qualified," even for positions lower than what he has already held. "We all know that it is age, not lack of qualifications," sums up Huntley.

The solution he suggests is particularly poignant. "To you older people out there," Huntley says, "even if you are unhappy, stay where you are. This isn't any fun."

It's sad because Huntley and others should have the right to move up to better jobs, not to be tied down to the same post by fear.

It's doubly sad because operators are spending an inordinate amount of time and effort explaining why a person is unqualified for a position for which the person is actually well-qualified. It would be more fruitful to spend the same amount of energy in recruiting and training the most qualified people of any age rather than creating phony excuses.

Another poignant case comes to mind, that of a middle-aged European refugee who was employed for years as a waitress in the Midwest. When she lost her job, she applied to hundreds of places and was given every imaginable explanation why she could not be hired.

She found the door shut at every turn and very little empathy or sympathy.

"The issue of age discrimination is very much alive but very hard to prove," writes the Roselle, Ill., woman, who prefers not to have her name printed for fear of retribution. "I am 52 years old and very experienced in the restaurant and hotel industry, but I cannot find a job."

She recalls "the good old days" when we had no law against age discrimination but apparently less actual discrimination. "It seems to me," she says, "that in the late 1950s and 1960s we had a lot more older workers in the industry. But I guess now that we have a law (passed by older congressmen and older senators) against age discrimination, there is a lot of it going on. Maybe we were better off without the law."

The woman was still unemployed as of last month despite excellent qualifications. Situations of this kind are difficult to fathom; one has to view "labor crisis" talk as absurd when qualified people like her are rejected.

Unfortunately, the antidiscrimination laws can be skirted in many ways with all sorts of pretexts suggesting why a person is supposedly unqualified or why there suddenly are no openings. Instead of searching for loopholes, why not look at the positive side of what a particular applicant can contribute? Veteran employees are likely to stay longer and reduce the constant turnover that plagues the industry.

Higher salaries earned by experienced applicants who are hired represent well-invested dollars that can yield a higher return in productivity and performance while reducing the need for endless recruiting.

Many readers well may say that this is an exaggeration and that these are isolated cases. We'd like to think so, and we're sure that many operators are open-minded and believe in hiring qualified people regardless of age. But the reality is that many employers are looking for a "younger image" and overlook a vital source of employees in veteran and experienced personnel.

Whatever the motive, the result is the same: a blatant loss of opportunity not only for the veteran employees but for the entire food-service industry.

It is time to reverse this syndrome and focus on qualifications regardless of age. Experience and wisdom should not be ignored in the pell-mell rush for a youthful approach.

LETTERS

Government-set wages, free enterprise don't mix

Editor, NRN:

It was with interest and astonishment that I read in your May 2 issue the remarks of Donald Campbell, president of the Cleveland-based Kenny King Corp., lambasting the food-service industry for not lobbying *for* an increase in the minimum wage.

Search as I did, I found no news story which reported Donald Campbell being held hostage by zealots demanding that he pay only the minimum wage *or else*! Mr. Campbell will probably be the first to tell everyone that he believes in the "free enterprise system" and that he exemplifies "free enterprise" at its best—after all, he does own 52 KFC franchises. Mr. C's holdings tell us that he firmly believes in the "*private* enterprise" system.

However, Mr. C's remarks reveal that he doesn't believe in (or perhaps understand) the "free enterprise" system. What Mr. C's remarks reveal is that what he really wants is for the government *to regulate his competitors*; thereby relieving him of having to compete in a free enterprise system.

Neither Mr. Campbell, nor anyone else in the food-service industry, is required to pay *only* the minimum wage! Mr. Campbell could, for example, begin his KFC trainee's wages at $100 per hour. Perhaps Mr. C should have read the article entitled, "They Won't Work for McPeanuts Anymore."

If Mr. C can't find workers at the minimum wage, it would seem to indicate that the workers know more about how "free enterprise" works than Mr. C does.

I've got news for you, Mr. Campbell, the correct *government regulated* wage for a *free enterprise* system that is to remain viable and competitive in markets at home and abroad is ZERO!

—Joyce E. Thomann
Annapolis, Md.

Adage worth repeating: you get what you pay for

Editor, NRN:

We would like to again congratulate Rick Van Warner for yet another fine column on equipment. His Feb. 22 feature, "When buying equipment, remember: you'll get what you pay for," really hit home for us.

Van Warner knows the equipment business and put his finger on a sensitive issue— the manufacture of low-quality equipment that is sold at "bargain"-prices— that often repays the operator with higher maintenance costs, more downtime, less efficiency, and a shorter productive life.

When evaluating an equipment purchase decision, a smart operator takes into account energy costs, labor savings, yearly maintenance expenses, useful life, and even trade-in value.

It is easy for an operator to make a regrettable, short-sighted purchasing error if he leaves quality out of the old price-quality-value equation.

We couldn't have said it better ourselves when Van Warner said, "But for serious operators that plan on sticking around, an old adage, You get what you pay for, rings true."

—Russell L. Bean
marketing services manager
Groen
Elk Grove Village, Ill.

FOCUS | COVER STORY

HEALTH CENTER FOOD SERVICE

(Continued from page F15)
controlling inventory to calculating recipes for odd numbers of portions.

Administrators also plan to offer the ARA/Baxter Healthcare Corp. line of frozen Light and Right take-out dinners, retailing for around $3, through the hospital cafeteria.

Another source of revenue is the hospital's ARA-run outpatient nutrition clinic, which averages 150 visits a month.

Meals for all the center's programs are prepared in the 4,500-square-foot kitchen in the hospital's basement. The kitchen is open seven days a week from 5:30 a.m. to 8 p.m., often later for banquets.

On an average week the food service purchases 3,000 pounds of meat and poultry, 250 pounds of fish, 2,500 pounds of fruits and vegetables, and 3,600 half-pints of milk, according to Annette Hastings, assistant food-service director.

The food service employs 140 full- and part-time workers—a full-time equivalency of 112. Ten percent of the contractor's labor costs are for management; 15 percent are for clinical people, such as dietitians and diet coordinators; 40 percent are for service personnel; 20 percent are for production people; and 15 percent are for sanitation workers.

Like other segments of the industry, hospital food-service programs are feeling the effects of the labor shortage.

Administrators across the country report critical shortages of registered dietitians, for example.

Recently, it took Neuhs and Hastings five months to fill an opening for chief dietitian. Part of the problem, they say, is that the job requires considerable education and often doesn't pay well.

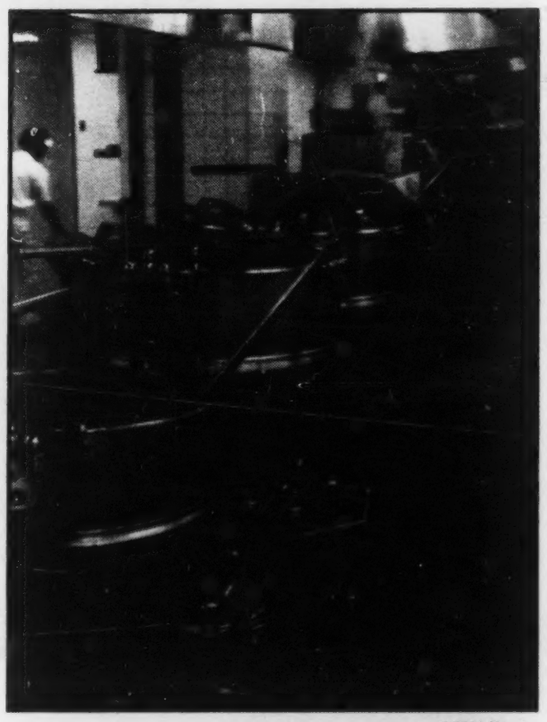
To be eligible for registration, dietitians must complete a bachelor's degree and a 10- to 18-month internship or a master's degree and 6 months' work experience, Neuhs says. And starting salaries range from $20,000 to $24,000.

The number of dietitian internships has also dropped in recent years, says Gerry Ehrlich, vice president of marketing and health-care sales at Mobile, Ala.-based Morrison's Custom Management.

And the health science center's own community and clinical dietetics program—which was offered through the College of Health Related Professions—fell victim to cost cuts in the late 1970s, says Neuhs, who received his bachelor's degree in dietetics from the school in 1976.

The shortage could have serious patient-care implications, Neuhs explains, because dietitians provide the link between patient and kitchen.

"It's a lot more difficult dealing with people in health care versus dealing with your commercial clients," he observes. "I mean, you react very quickly when you're out in the cafeteria and there's an issue or a customer brings you a complaint. In health care, you're almost dealing with an invisible population, and you have to somehow develop a sensitivity to its needs. That's really where the dietitian comes in."



NRN Photo

Soup kettles in the University Health Science Center at Brooklyn kitchen.

HOSPITALS

(Continued from page F1)
for ARA's Healthcare Nutrition Services.

- At 447-bed Sinai Hospital of Baltimore, administrators opened a 14-seat tablecloth restaurant, called the Stork Club, for mothers-to-be and their families.

The menu features New York Strip sirloin, lobster tail, and chicken cordon bleu, with fresh-baked bread, baked potato with butter and sour cream, fresh vegetable de jour, and a choice of beverage.

Entrées range from $9 to $12, including dessert and a salad. Gift certificates for the meals are sold at the lobby shop and the cashier's office.

- At 157-bed Irvington General Hospital in Irvington, N.J., the cafeteria is open to the public, and administrators use the gourmet food service to attract patients.

A quarter-page ad run in local newspapers in April read: *A Great New Restaurant Is Now Open in a Most Unlikely Place.*

It's in your new hospital. The new Irvington General Hospital, to be exact. Where grilled salmon was on yesterday's menu, and London Broil could be on tomorrow's.

But we're not out to win raves from restaurant reviewers. We're out to make people feel better. So our food is planned to satisfy a proper diet.

Then it's prepared to satisfy our patients. At the new Irvington General Hospital, we didn't make our food better for our health. We did it for yours.

- At Sentara Norfolk General Hospital in Norfolk, Va., the restaurant—the Brass Rail—became so successful that the hospital had problems maintaining non-profit status, said hospital spokesman Don Depp.

Administrators restructured the restaurant so that the Brass Rail, instead of sharing revenues with the hospital, now pays rent.

- At 750-bed National Baptist Hospital in Nashville, Tenn., employees and visitors can buy take-out baked goods in the cafeteria.

The bakery items come in packages that bear the hospital logo.

- And all over the country, fast-food restaurants are cropping up in hospitals.

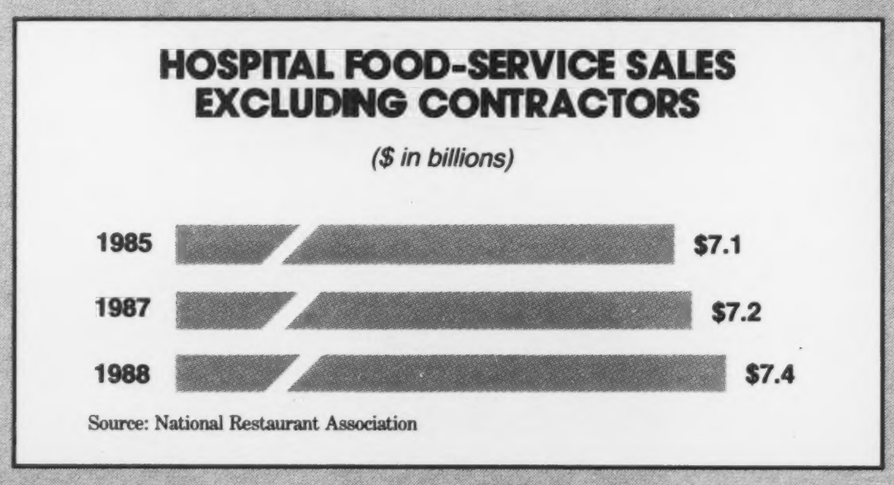
"Even McDonald's and Friendly's and those folks are in hospitals, and the way they operate is that they pay the hospital either for the space or else a commission on the sales," Carlson says. "So it's a win-win for the hospital."

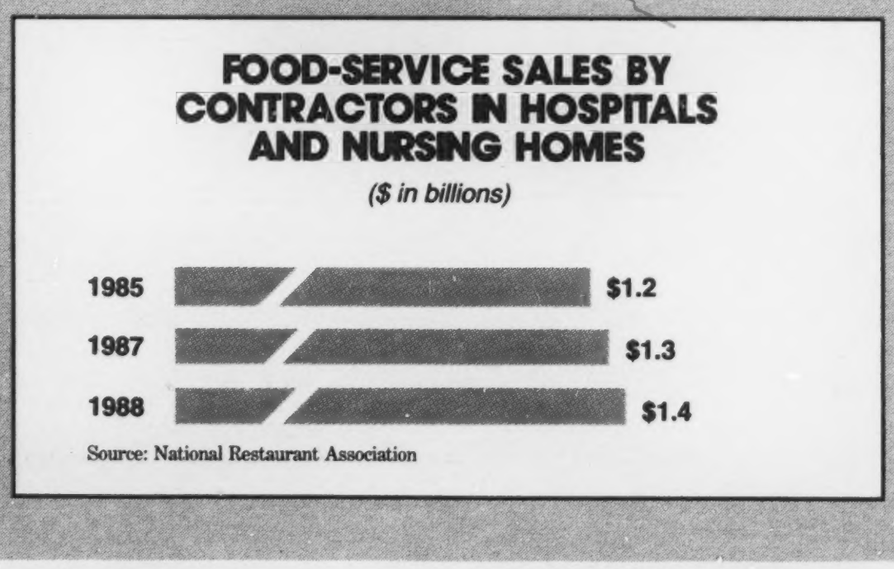
McDonald's first such unit opened in April 1977 in Philadelphia's Children's Hospital. Since then, six more McDonald's units have opened in hospitals.

Burger King also has several franchises in hospitals, including one in Jewish Hospital in Louisville, Ky.

And Hardee's has two units in hospitals, the first of which opened in October 1982 in Timken Mercy Medical Center in Canton, Ohio.

—Rajan Chaudhry





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Sweets' success in America
Focus section follows page 34

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3
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Page 14

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Nation's
Restaurant News®
The Weekly Newspaper of the Food-Service Industry

Vol. 22, No. 25 | **Published every Monday by Lebhar-Friedman Inc.; $3 a copy, $26.50 a year** | **June 20, 1988**

Sysco to buy No. 3 CFS

Blockbuster deal could reshape distribution

By Rick Van Warner

HOUSTON — Racing away from the food-service distribution pack as it thunders toward nationwide penetration, Sysco Corp. has agreed to buy No. 3 CFS Continental from Tate & Lyle's Staley Continental for $700 million.

Spawning a super-distributor approaching the $7 billion mark in annual sales, the blockbuster deal comes on the heels of the $1.5 billion sale of CFS parent Staley to Tate & Lyle PLC. A British sugar producer, Tate & Lyle purchased Staley to obtain its corn syrup business and had said from the outset it would sell the food-service division.

Adding CFS to its fold propels Sysco into several new markets—including Los Angeles, the Pacific Northwest, and the Baltimore-Washington area—and beefs up its presence in many existing markets.

"Geographic coverage is the most important part of distribution, and they're [CFS] located in many parts of the U.S. where we have only partial penetration," said Sysco executive vice president James Lowrey.

Combined with CFS, Sysco will only lack presence in the New York-Philadelphia corridor and in the Carolinas, analysts said.

"It's a really nice fit in most areas," said James Murren of C.J. Lawrence, New York,

*(See **SYSCO**, page 74)*

FOOD WATCH

A half-size meal at half the price? Well, almost half

CHICAGO — With an eye toward promoting price/value and reasonable portions, Gordon Sinclair, owner of the Gordon restaurant at 500 N. Clark St. here, is offering half portions of all dinner entrées for half the price, plus $1.

The net effect of Sinclair's promotion is that two people can share two separate entrées or four people can share four entrées.

On a recent evening, half-size combination portions were available for the following prices, plus $1: grilled salmon with Chinese mustard glaze, $9; barbecued whole squab with sweet corn cakes and peppers, $10.50; sautéed breast of duckling and confit of duck with orange and fennel, $9.50.

Other "Plus $1" dishes and their prices, not including the additional $1, were seared tuna with potato cream and roasted tomatoes, $9.50; grilled, aged sirloin with spicy ratatouille, potatoes, and rosemary, $11; charred rack of baby lamb with honey dates and cumin, $11.50; and roasted sweetbreads with peas, morels, and Chardonnay, $10.

—Charles Bernstein

Ballpark food service hits the big leagues

By Bill Carlino

NEW YORK — Since the infancy of baseball stadium food service, cries of "get your red hots," "peanuts," and "beer here" have become as much a part of the game's mystique as Babe Ruth's called home run or Don Larsen's perfect game in the 1956 World Series.

Legend has it, one summer afternoon 86 years ago, Harry M. Stevens, the patriarch of arena and stadium food service, carved a unique niche in Americana when he stuffed a sausage in a long roll and sent his vendors scouring the bleachers at the Polo Grounds in search of hungry baseball fans.

On that sweltering day, the hot dog and baseball formed one of the most enduring of all relationships in sports. A frankfurter draped in mustard or relish seemed the natural complement to the national pastime.

From those humble beginnings under the rickety stands at the Polo Grounds, food service for major league baseball has blossomed into a business approaching $300 million annually. Seven major food-service contractors provide the fare at all but two of the 26 ballparks. Average food sales per game hovers at $300,000, while each fan spends between $5 and $6 a game.

However, just as baseball's new balk rule has reshaped

*(See **BALLPARK**, page 7)*

Vendors bearing hot dogs, peanuts, and beer are as common and as valued a sight at the ballpark as the game itself.

Ponderosa hones marketing focus

Metromedia to upgrade food, hasten expansion

DAYTON, Ohio — Ponderosa, its future clouded for the last two years largely because of a succession of owners, is now focusing under billionaire John Kluge's Metromedia Co. on upgraded products, more specific television advertising, and major domestic expansion.

Diamond

On the food front, Ponderosa, wagering that consumers will pay for "quality," is challenging its historical reliance on ungraded tenderized meat by replacing it with more expensive U.S.D.A. Choice beef. The chain is backing the test with television, print, and in-store advertising.

"People buy choice beef at the supermarket to fix at home. Why should they buy less when they eat out?" said Darrough B. Diamond, the restaurant chain veteran who was recently appointed senior vice president of marketing for the 690-unit family steak-house chain based here.

The upgraded beef program is currently being tested in Youngstown and Columbus, Ohio, with increased entrée prices of about 30 cents. Diamond said the response has been favorable. "Consumers in effect are saying they'll pay for quality," he said.

In another test in several cities, Ponderosa has introduced a new food bar called the Grand Buffet, which includes an array of rotating appetizers, such as meat balls, chicken wings, clam strips, and popcorn shrimp as well as hot pastas and sauces, soups, chili, and fresh fruits.

The chain said this "major meal enhancer" is doing well in the test cities, which include Columbus; Milwaukee; Green Bay, Wis.;

*(See **PONDEROSA**, page 74)*

NRN readers vote for Golden Chain award winners

Nation's Restaurant News readers are being asked to select six of the food-service industry's top executives as Golden Chain award winners.

A postage-paid mail-in ballot with 12 candidates appears in this issue.

Please mark your ballots for up to six of the candidates and mail them this week.

The six Golden Chain Operators of the Year will receive their awards at a gala banquet during Nation's Restaurant News' annual Multi-Unit Food Service Operators (MUFSO) conference.

For details on the conference, to be held Oct. 2-5 at the Washington, D.C., Hilton, call MUFSO coordinator Chris Hernandez at (212) 371-9400, Ext. 282 or 283.

Mail-in ballot follows page 28

CHARLES BERNSTEIN CAUTIONS: BEWARE OF DEBT — Page F3